

9571.0060 TERMINATION FOR CAUSE.

Subpart 1. **Cause.** A community action agency's funding, as well as its designation or recognition, will be terminated for cause. An Indian tribal government's or a migrant seasonal farmworker organization's funding will be terminated for cause. There may be multiple causes which apply. Termination for cause includes the following:

A. actions threatening imminent danger to health or safety of members of the community;

B. failure to involve low-income people in planning, oversight, and evaluation of programs and services;

C. violation of the terms of the grant contract by the grantee including:

(1) failure to maintain financial procedures, reports, and audits according to part 9571.0140, subparts 1 and 2;

(2) failure to maintain recognition according to part 9571.0040, subpart 3; and

(3) failure to follow the requirements of federal and state laws;

D. failure to remedy a defect after withholding or funding termination as provided in part 9571.0090, subparts 2 and 4; or

E. denial of an application as provided in part 9571.0150, subpart 5.

Subp. 2. **Termination by governing body of community action agency designation.** A governing body may terminate a community action agency's designation for cause under subpart 1, item A or B.

A. The governing body must follow the steps in subitems (1) to (4):

(1) adopt termination as the official action;

(2) notify the department of its intent to terminate the community action agency's designation;

(3) serve notice of termination upon the community action agency to be terminated and provide a copy to the department. The notice of termination must:

(a) explain the cause for termination;

(b) describe how the community action agency's funding may be affected; and

(c) provide a description of the community action agency's appeal rights according to subpart 5; and

(4) prepare a transition plan for phasing out currently provided services and for substituting services in the interim until a successor community action agency is recognized. The transition plan must be provided to the department no later than the close of the contested case hearing on the appeal of the terminated community action agency or, if no hearing is held, filing with the department the notice of intent to designate a successor community action agency. The department must approve the plan as well as the interim community action agency providing community action program services.

B. The department will notify low-income households of the termination. Upon request from the department, the community action agency must provide its current list or lists of identified low-income households to the department. Identified low-income households are those specified on the community action agency's list or lists of clients.

C. If a community action agency's designation is terminated and the community action agency's appeal rights have also been exhausted, the department must terminate funding. Where the department intervenes as a party in a contested case concerning termination of designation, funding by the department may be immediately terminated.

Subp. 3. Termination by department of community action agency funding or recognition. The department may terminate for cause a community action agency's funding or recognition or both under subpart 1.

A. The department may terminate all or part of current or future funding for a community action agency. If the department terminates all future funding, it must also terminate a community action agency's recognition. If the department terminates a community action agency's recognition it must also terminate funding.

B. If the department decides to terminate a community action agency's funding or recognition, it will serve notice of termination upon the community action agency to be terminated and provide a copy to the governing body. The notice of termination must:

- (1) explain the cause for termination;
- (2) describe how the funding may be affected; and
- (3) provide a description of the community action agency's appeal rights according to subpart 5.

C. The department will notify identified low-income households of the termination. Upon request from the department, the community action agency must provide its current list or lists of identified low-income households to the department. Identified low-income households are those specified on the community action agency's list or lists of clients.

Subp. 4. Termination of Indian tribal government or migrant and seasonal farmworker organization funding. The department may terminate for cause an Indian

tribal government's or migrant and seasonal farmworker organization's funding under subpart 1. The department may terminate all or part of current or future funding for an Indian tribal government or migrant and seasonal farmworker organization.

A. If the department decides to terminate an Indian tribal government's or migrant and seasonal farmworker organization's funding, it will serve notice of termination upon the Indian tribal government or migrant and seasonal farmworker organization to be terminated and provide a copy to the tribal council or the migrant and seasonal farmworker organization's board of directors. The notice of termination must:

- (1) explain the cause of termination;
- (2) describe how the funding may be affected; and
- (3) provide a description of the Indian tribal government's or migrant and seasonal farmworker organization's appeal rights according to subpart 5.

B. The department will notify identified low-income households of the termination. Upon request from the department, the Indian tribal government or migrant and seasonal farmworker organization must provide its current list or lists of identified low-income households to the department. Identified low-income households are those specified on the Indian tribal government's or migrant and seasonal farmworker organization's list or lists of clients.

Subp. 5. **Appeal procedure.** If, after receipt of the notice of termination, a grantee is aggrieved, the grantee may request a contested case hearing from the department within 30 calendar days of the receipt of the notice. If the grantee's request for a contested case hearing is not received by the department during the 30-day period the grantee loses its right of appeal under this subpart. The hearing will be initiated and conducted according to parts 1400.8505 to 1400.8612 unless the grantee objects within ten business days. If the grantee objects, the hearing will be conducted according to parts 1400.5010 to 1400.8401. The request for a contested case hearing before an administrative law judge must be in writing. As provided for in part 1400.6200 or 1400.8570, the department will have the right to intervene as a party in a contested case hearing on termination of designation by a governing body.

Subp. 6. **Federal appeal rights.** Federal appeal rights may also exist for an aggrieved grantee under the Community Services Block Grant Act, United States Code, title 42, chapter 106, section 9915, subsection (b).

Subp. 7. **Successor.** If a community action agency's designation or recognition is terminated, the governing body will follow the priority guidelines in part 9571.0050, subpart 2, and the procedure in part 9571.0030 to designate a successor.

Subp. 8. **Costs.** Only costs directly attributable to the contested case hearing process in subpart 5 are the responsibility of the department.

Statutory Authority: *MS s 256.01; 268.0122; 268.021*

History: *16 SR 2319; 33 SR 1300*

Published Electronically: *October 15, 2013*